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SUBJECT: "ONE UN" PILOT PROGRAM INCHING FORWARD IN VIETNAM

(U) SENSITIVE BUT UNCLASSIFIED. NOT FOR INTERNET.

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11. (SBU) Summary: The "One UN" pilot program in Vietnam has taken its important first steps, but much work remains before the program becomes operational. According to Hanoi-based UN diplomats, the Government of Vietnam (GVN) strongly supports the "One UN" pilot, which Vietnam began last February as one of eight countries aiming to achieve greater cohesion among UN agencies at the country level. The One Plan combines and synthesizes the work of the six participating UN organizations in Vietnam-namely UNDP, UNICEF, UNFPA, UNAIDS, UNV and UNIFEM. The One Plan "Fund," which will become operational in June 2007, will mobilize and allocate funding to implement the One Plan. UN Resident Coordinator Hendra publicly said donors that are required to earmark funds as they did before the One UN program began can continue to do so through agency-specific cost-sharing arrangements. They can also earmark funds at the level of "outcome" in the One Plan. While some details of the initiative need to be worked out and progress is slow, the program is well underway. End Summary.

STARTING TO IMPLEMENT THE "ONE UN" PROGRAM

12. (SBU) The main objective of the One UN initiative is to strengthen program coherence and coordination by enabling participating agencies to be a more focused, responsive partner of the GVN. Since the UN began the One UN process earlier this year in February, UN agencies in Vietnam report that the "One UN" program has progressed significantly, though it is not yet fully operational. UN agencies across the country have worked more closely together to enhance impact, to reduce overlap and look for opportunities to strengthen and take better advantage of the specific skills and experience of UN agencies, according to Vietnam UN Resident Coordinator John Hendra. With strong support from the GVN, the "One UN" in Vietnam comprises five elements, including: the One Plan, which will create greater coherence in UN programming; the One Plan Fund, which will establish a single budgetary mechanism; the One Set of Management Practices, which will work together to reduce transaction costs for government counterparts and key partners; the One Leader, which will lead high level policy dialogue and develop and manage a shared communication strategy; and the One UN House, which will increase cooperation, coordination for information sharing. This set of "deliverables" is also referred to as the "Five Ones." The launch of the One Plan, the One Plan Fund,

and the One Leader is expected to take place in late May, Hendra said.

¶3. (SBU) On April 19, the Vietnamese state press reported that Vietnam's UN Ambassador Ly Luong Minh said in New York that "the UN's effectiveness in assisting the socio-economic development of Member States is limited because of a lack of coherence in policies, overlapping programs and shortage of funds." The GVN, therefore, is strongly behind the "One UN" Initiative, according to UN officials in Hanoi. Prime Minister Nguyen Tan Dung has been engaged in the initiative. Last year, he approved the "Agreed Principles, Objectives and Instruments" to achieve the One UN in Vietnam and signed the Terms of Reference for a Tripartite National Task Force (TNTF), which will guide the implementation of the initiative. The task force consists of representatives of the Ministry of Planning and Investment, Ministry of Foreign Affairs, Ministry of Finance, Office of the Government, as well as participating UN agencies and bilateral donors.

¶4. (SBU) The One UN program in Vietnam is based on a format contained in the draft Guidelines for the Common Country Program Action Plans (CPAP), but has been amended as needed to reflect Vietnam-specific circumstances. The "One UN" program aims to supersede individual country-specific action plans, with representatives of the participating UN agencies and the GVN signing off on the plan, said Kitty Van Der Heijden, of the office of the UN Resident Coordinator in Hanoi. The draft program was transmitted to the GVN at the end of January 2007. Based on the first round of consultations, a second draft has been prepared. This draft will be forwarded to the GVN for its review by the end of April and is expected to be finalized in June.

ALLOCATIONS FROM THE ONE PLAN FUND

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¶5. (SBU) Under the plan, RC Hendra will make allocation decisions based on recommendations of an internal allocation committee. The RC and the GVN have consulted donors in the formulation of the single country program and single budget. Donor consultations have taken place within the context of the TNTF. A TNTF meeting to present the draft One Plan is scheduled for the end of April, according to Van Der Heijden. A consultative TNTF on the One Plan will take place in May, 2007, Van Der Heijden added.

¶6. Implementation of the One Plan will be funded through a range of UN regular (core) resources and through other (non-core) resources, Van Der Heijden continued. (Note: "Core" resources refer to un-earmarked resources to various UN agencies. "Non-core" resources are funds that UN agencies mobilize with individual donors to certain specific programs or projects. End Note.)

¶7. (SBU) A One Plan Fund for Vietnam will be established as the primary mechanism to mobilize other resources at the country level. The new pooled fund will be directly linked to the One Plan, and the resources will be allocated to program priorities within the One Plan. Financial support by donors should preferably be given as multi-year contributions without earmarks to the pooled fund. While such contributions will be strongly encouraged, donors that are required to earmark funds can continue to do so through agency-specific cost-sharing arrangements or at the level of "outcome" in the One Plan, RC Hendra said publicly. (Note: In Vietnam, therefore, the United States will have a mechanism to ensure that U.S. funds will not be shared with those UN agencies or programs from which the U.S. withholds funding, such as UNFPA. End Note.)

¶8. (SBU) The One Plan Fund will be implemented in line with the new relationship between RC Hendra and the heads of participating UN agencies. In this relationship, UN agency heads are more accountable to the RC than in the past. Allocation of resources mobilized through the One Plan Fund will be determined by a new One Plan Fund Management Committee, consisting of the heads of the participating agencies and chaired by RC Hendra. At this time, the One Plan and the One Plan Fund are not yet operational. Finalization

and launch of One Plan and One Plan fund will implement in June, 2007. As the One Leader, RC Hendra has the authority to make final decisions and is responsible and accountable for results, according to a report from the UN office in Hanoi.

AUDITS AND EVALUATION

9. (SBU) Audit findings in Vietnam continue to be guided by the audit procedures of the UN agencies involved, said Van Der Heijden. The evaluation of the "One UN" program will be undertaken by the UN Evaluation Group (UNEG). RC Hendra will provide inputs for the performance evaluation of UN Country Directors based on their contribution to the United Nations country team, according to a report of UN office in Hanoi. The UN Country Team will evaluate the performance of the Resident Coordinator, according to the same report.

10. Comment: Local diplomats have complained about slow implementation of the "One UN" concept in Vietnam. While some details of the initiative need to be worked out and progress is slow, the program is well underway. Moreover, strong backing from the GVN and UN RC Hendra have helped move the program forward. Post will continue to monitor implementation of this reform. At this point it is too early to judge whether this pilot project is more efficient or producing better results on the ground in Vietnam than the decentralized system. End Comment.

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